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Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Public Notice, January 31, 2006 (DA 06-238)

To Whom It May Concern:

This is a follow up comment to some of comments that have been made on Public Notice DA06-238, dated January 31, 2006. We are professor Sandro Brusco of State University of New York – Stony Brook, and professor Giuseppe (Pino) Lopomo of the Fuqua School Business, Duke University. We are both associate professors of economics; we teach and conduct research in areas that include auction theory and mechanism design. More information about our credentials can be found at:

<http://www.sunysb.edu/economics/people/faculty/sbrusco.html>

and

<http://www.fuqua.duke.edu/faculty/alpha/lopomo.htm>

We are writing the present letter to reinforce our opinion that the proposed changes of the rules of the SMR auction format are well motivated both on theoretical and empirical grounds. In particular, we would like to respond to a comment made by Leap Wireless International, Inc. pertaining to the applicability of our theoretical results.

No assumption is made in our model about the relative size of the different objects for sale. In the general model, there is only an assumption of ex-ante symmetry across bidders and objects. This is made for analytic and expositional convenience. The paper also contains a discussion of a class of asymmetric cases, where it is shown that asymmetries can hinder collusion but cannot prevent it.

Reference:

S. Brusco and G. Lopomo, "Collusion via Signaling in Simultaneous Ascending Bid Auctions with Heterogeneous Objects, with and without Complementarities", *The Review of Economic Studies* (2002) 69: 407-436.